

Caribbean Regional Program

The Development Challenge: The Caribbean Region consists of 23 relatively small independent islands, dependent territories, and sovereign states, ranging in size from 91 sq km Anguilla to 214,970 sq km Guyana. Most share a common history of European colonization and mono-crop plantation economies, giving rise to a number of developmental similarities and strong correlations among their current economic problems. Their small size, isolation from markets, susceptibility to natural disasters, and general ecological vulnerability make the Caribbean a special case for development assistance.

During the 1990s, while major preferential trade agreements with former colonial powers still existed, real GDP in the region grew at an average rate of 3.5%. After the 1990s, this growth rate decreased, registering 2.5% in 2000, and 1.0% in 2001. From 2002 to the present, some countries in the region are showing negative real growth. The onset of trade liberalization and globalization has resulted in the gradual loss of preferential trading agreements which, coupled with the low capital investment, has caused a reduction in foreign exchange earning potential. The dependence on a very narrow range of goods and services and limited private sector competitiveness in many of the countries has contributed to low or negative economic growth.

There has also been inadequate progress in providing the necessary regulatory and institutional infrastructure to promote private investment. These gaps, combined with the region's vulnerability to natural disasters, e.g., floods, hurricanes, and volcanic eruptions, and the global economic downturn post September 11, have created tremendous developmental challenges for the region. A number of the Caribbean countries now face growing trade imbalances, unemployment (ranging from 8% in Antigua/Barbuda to 20% in St Lucia), widening fiscal deficits (from 5.5% of GDP in 2000 to 7.7% of GDP in 2002/3), and growing unsustainability in their debt stock.

Within this context, critical issues, as seen from the viewpoint of the Caribbean countries and their regional representative bodies, such as the Caribbean Community Secretariat (CARICOM) and the Organization of Eastern Caribbean States (OECS), are: (i) the challenge of increasing competition under the Free Trade Area of the Americas (FTAA), the African Caribbean and Pacific/European Union (ACP/EU), and the World Trade Organization (WTO) agreements; (ii) the growing threat of HIV/AIDS to national development (the region's HIV/AIDS infection rate ranks second in the world); (iii) unemployment and potential impacts upon safety/security and increased crime; (iv) the need for fiscal reform; (v) traditional and emerging environmental challenges; and (vi) human capacity deficiencies.

One strategy developed by the CARICOM countries for meeting these growing demands plans for the formation of a single economic bloc under the Caribbean Single Market and Economy (CSME) by 2005. At the sub-regional level, the OECS has already created a single monetary and judicial system and has plans for a more comprehensive economic union within the CSME. Specific implementation deadlines for both of these parallel efforts, however, have not yet been formalized, and there will be difficulties in meeting the 2005 deadline. USAID is supporting plans for economic integration as well as other important initiatives at the regional and sub-regional levels. These include a multi-donor effort to provide support to the Caribbean Epidemiology Centre (CAREC) to combat HIV/AIDS across the region and to provide support at the national level. Under CARICOM, a mechanism has been created to assist in regional trade negotiations to support efforts at both the regional and national levels. At the OECS level, the Secretariat has created specific organizational units and programs involved in environmental management, small and medium enterprise development, and trade.

As a third border with the United States, the region's economic, political and social stability is of critical importance. The United States considers the small countries of the Caribbean region important partners on trade, health, education, and homeland security issues.

The USAID Program: USAID provides direct and indirect development support to 23 diverse nations across the Caribbean region, through a variety of regional institutions, including CARICOM, the OECS,

and the CAREC, among others; however, a large portion of our direct assistance is focused on OECS member states.

USAID's program focuses on four areas: economic growth and trade, environment, rule of law, and the fight against HIV/AIDS. The economic growth and trade program is assisting the region with sustainable economic growth. The program focuses on improving the enabling legislative and regulatory environment for growth and investment, coupled with firm-level support. A new activity addressing trade and competitiveness is helping in the transition to new and open trade regimes and the enhancement of private sector competitiveness. The environment program is based on the recognition that the economies and the ecosystems of the Caribbean states are inextricably linked. It places emphasis on the tourism sector in an effort to ensure sustainability of the delicate natural resources upon which this critical industry depends. It also seeks to promote increased efficiency and competitiveness through improved environmental management and compliance with internationally accepted standards.

The rule of law program is ensuring that the justice infrastructure is sufficiently modernized to improve efficiency and applicability of important legal tools for economic growth. USAID assistance is introducing and improving technology in the judicial system in such areas as case and court reporting. It has also established a regional legislative drafting facility to draft and revise critical laws for market integration, security, and HIV/AIDS. The battle against HIV/AIDS is being carried out throughout the wider Caribbean through a broad-based, multi-donor funded program to enhance capacities for prevention as well as care and treatment. The program includes elements to support both public and private sector activities in the region in an effort to strengthen HIV/AIDS non-governmental organizations (NGOs) and NGO networks and to increase the governments' capacity to fight the spread of the disease. All of these programs have the active interest and participation of Caribbean governments.

Other Program Elements: The Center of Excellence for Teacher Training (CETT) is a Presidential Initiative program started in FY 2003, which upgrades the skills of classroom teachers so that they can become more effective reading instructors. Rural and urban communities, especially those in remote areas, and schools that have a significant enrollment of Creole-dominant speakers in the English-speaking Caribbean island nations are targeted. The program involves public and private sector partnerships, and, to date, several U.S.-based companies have supported the program.

A significant portion of the ESF will be transferred to the State Department to address the lack of capacity many Caribbean nations face in security. Funds (\$2,600,000 in FY 2004 and \$5,500,000 in FY 2005) will be used to help Caribbean airports modernize their safety and security regulations and to support border security programs, including the strengthening of immigration controls.

Other Donors: According to a 2001 World Bank report, the top seven donors to the OECS countries - the Caribbean Development Bank (CDB), the European Union, the World Bank, UN organizations, Kuwait, the United States, and Canada (listed by size of contributions) - account for 93% of total disbursements for 1999-2001. In 2001, the European Union's contribution, which increased to \$75 million, was expected to supercede that of the CDB. For that same period, the largest amount of donor support (\$68 million) was being channeled into the road and transport sector. Education, environment, and budget support were each allocated another 10% of the total expected disbursements from 1999 to 2001. Education, health, and social planning together accounted for approximately 17% of the total. CAREC and the Caribbean Regional Technical Assistance Center (CARTAC) are working in health and finance respectively and are supported by USAID and several other donors. Donor coordination, however, remains a challenge in the region given its size and diversity, the number of donors, and the limited capacity of host governments to participate effectively in projects that are spread across several islands. This aspect of the regional program is carefully being reviewed with a view to improving the level of coordination.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	Competitiveness in the Caribbean
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	538-004
Proposed FY 2004 Obligation:	\$2,905,000 DA; \$860,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2004

Summary: USAID's program to help Caribbean businesses meet international standards is being carried out on two fronts: enhancing the private sector's capacity to deliver goods and services competitively while simultaneously supporting the development of legislative and regulatory structures that encourage and support open trade and global competitiveness. This high-profile, demand-driven program has become the flagship initiative for the U.S. Government's support to Caribbean states in their efforts to prepare for entrance to the Free Trade Area of the Americas (FTAA) and other trade regimes. Ambitious efforts involving extensive input from the region's private and public sectors, as well as regional organizations such as Caribbean Community Secretariat (CARICOM) and the Organization of Eastern Caribbean States (OECS), have been underway to define the type of assistance needed to successfully meet the FTAA challenge and aggressively compete in the global economy.

Inputs, Outputs, Activities:

FY 2004 Program:

Support for identification and elimination of constraints to doing business (\$2,905,000 DA). On-going efforts to identify and eliminate constraints to doing business in the region will continue. The Caribbean Regional Internship and Scholarship Program, which helps to develop the human capacity businesses need to be more competitive, will move into full implementation mode. In addition, a Development Credit Authority loan guarantee program may be developed to increase access to credit for businesses in targeted sectors, such as tourism, and stimulate economic growth. Principal contractors and grantees will be the Carana Corporation and the Academy for Educational Development, as well as financial institutions not yet identified.

Legislative/Policy framework established to support free trade (\$860,000 ESF). Activities will continue to develop the region's legal, regulatory, and institutional capacity to facilitate trade. In particular, support will be provided to help develop and implement national trade strategies under the FTAA's Hemispheric Cooperation Program. A training curriculum will be developed in the area of trade policy support, and an academic degree granting program that addresses the trade agenda will be established. Also, technical assistance will continue to CARICOM's Regional Negotiating Machinery to strengthen capacity as a negotiating mechanism and ensure that CARICOM member states are fully prepared to participate in the FTAA process. Also, efforts will continue to facilitate the development of CARICOM's plans for transitioning to a single market economic zone. Draft legislation and regulations for food, animal, and plant safety for the OECS and Barbados will be finalized. The development of new tax regimes for Grenada and Dominica will commence with the replacement of trade taxes with value-added systems. Contractors, grantees, and other partners will include Carana Corporation, the Regional Negotiating Machinery, the Caribbean Regional Technical Assistance Center, and others not yet identified.

FY 2005 Program:

No new funds will be obligated to this SO in FY 2005. During this fiscal year, USAID will focus on ensuring the sustainability of program impacts and facilitating a smooth transition into the Mission's new regional strategic plan for the Caribbean for FY 2005 - FY 2009.

Performance and Results: In FY 2003, the program helped 48 firms to improve their capacity to export into the global market. Arising from this assistance, a control group of 30 firms increased its export sales by 19%, from \$2,100,000 in 2002 to \$2,500,000 in 2003. In addition, the deregulation of the telecommunications sector throughout the OECS countries was completed, resulting in \$89 million in new investments in 2003.

By the end of the strategy in FY 2004, it is expected that the Caribbean region will have a business environment that is more conducive to competition in the global marketplace. Model firms will have adopted international standards of best business practices, thereby improving their productivity, profitability, and capability to compete internationally. An operational telecommunications regulatory structure will increase the number of new businesses in the region, and appropriate food, plant and animal health legislation will be in place for OECS countries.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	Improved Environmental Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	538-005
Proposed FY 2004 Obligation:	\$570,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2004

Summary: USAID promotes improved environmental management within the Eastern Caribbean through technical assistance and training that facilitate the adoption of best environmental management practices, policies, and standards in small tourism enterprises; environmental marketing and education to promote awareness; and access to financing for environmental improvements. USAID's environment program recognizes that the economies and the ecosystems of the Caribbean states are inextricably linked. USAID's work with the tourism sector ensures sustainability of the delicate natural resources upon which this critical industry, which is the region's engine for economic growth, depends. It also seeks to promote increased efficiency and competitiveness in international markets through improved environmental management and compliance with internationally accepted standards.

Inputs, Outputs, Activities:

FY 2004 Program:

Increased access to best environmental management practices (\$440,000 DA). USAID will offer environmental training and develop coaching tool kits for small- and medium-sized hotels, tour operators, and sites and attractions. USAID will work with more than 50 hotels to adopt environmental management systems. USAID will conduct public education environmental awareness programs to help key groups identify and address environmental management issues and implement more energy efficient mechanisms for doing business. In addition, USAID's implementing partners will develop and disseminate environmental messages for tour operators that promote awareness and encourage adoption of good environmental management practices. USAID-supported environmental and technology volunteers will be deployed to teach small hotel operators and other tourism industry professionals about how they can make their businesses more environmentally friendly and reduce costs at the same time. Of particular importance to the strategy will be the launching of Caribbean Experiences (CE), a not-for-profit cooperative that will serve as a marketing organization and hotel management company for small tourism enterprises throughout the region. It will give a "brand name" to Caribbean tourism enterprises and actively market them to potential visitors in Europe and the United States. USAID is supporting the development of this cooperative to ensure the sustainability of work done in the tourism sector once donor assistance is concluded. The program will also work with CARICOM to develop financing mechanisms for countries in the region to leverage resources to support sustainable development. Principal contractors, grantees, and other partners will include the Organization of American States (OAS) and the Caribbean Alliance for Sustainable Tourism (CAST).

Improved environmental policies and standards (\$130,000 DA). The program will continue to focus on policy issues related to the adoption of environmental standards by small tourism enterprises in order to meet international market expectations and regional certification objectives, as well as the development of a model eco-destination certification program for the Caribbean. Principal partners will include the OAS and CAST.

FY 2005 Program:

No new funds are requested for this program in FY 2005. During this fiscal year, USAID will focus on ensuring the sustainability of program impacts, to the extent possible.

Performance and Results: During the past year, substantial gains were made in the number of organizations adopting best practices and in exposing organizations to environmental information. Good progress was made toward implementing international and market-driven standards in the tourism sector and increasing tourism enterprises' accessibility to finance for environmental improvements. With 756 organizations in the region being exposed to environmental information, the target of 680 was exceeded by more than 10%. More than 282 organizations adopted best environmental practices, a significant increase over the annual target of 240. Fourteen private organizations independently secured financing for environmental activities, two more than the target of 12.

By the end of the Strategy in FY 2004, this program will have helped protect critical ecosystems that are vital to tourism and economic growth by assisting the region to address environmental concerns.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	Rule of Law
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	538-006
Proposed FY 2004 Obligation:	\$460,000 DA; \$516,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2004

Summary: USAID's rule of law program is improving the efficiency and fairness of the legal systems throughout the Caribbean. This program provides technical assistance, training, and commodities to the Eastern Caribbean courts to modernize legal systems and increase access to legal information. Through the Caribbean Community Secretariat, USAID has also provided assistance to revise and update laws related to the Caribbean Single Market and Economy, trade issues, justice, and security. This activity clearly illustrates the highly synergistic relationship among the Caribbean Regional Program's rule of law, economic growth, and HIV/AIDS programs.

Inputs, Outputs, Activities:

FY 2004 Program:

Improve efficiency of the legal systems (\$70,000 DA). USAID will continue to establish Alternative Dispute Resolution Centers in the three Organization of Eastern Caribbean States (OECS) countries: St. Vincent, St. Kitts, and Dominica. USAID will also provide technical assistance to the Justice Education Institute (JEI) of the OECS Supreme Court to continue organizing the judicial training program. Continued technical assistance to the OECS Secretariat (in the form of a project coordinator and a financial manager) will support the OECS Secretariat management project. Principal grantees are the Caribbean Community (CARICOM) Secretariat, the OECS Secretariat, and the British Virgin Island Academy of Court Reporting.

Revise and update laws (\$390,000 DA, \$516,000 ESF). USAID will continue to assist the existing Regional Legislative Drafting Facility in drafting laws related to the Caribbean Single Market and Economy as well as justice and security issues. It will also draft laws addressing such problems as victim discrimination in the area of HIV/AIDS. The principal grantee is the CARICOM Secretariat.

FY 2005 Program:

No new funds will be obligated into this program in FY 2005. During FY 2004, the program will focus on ensuring the sustainability of program impacts and facilitating a smooth transition into the Mission's new regional strategy program for the Caribbean for FY 2005 - FY 2009.

Performance and Results: Over the past year, this program has met its targets. Cases that formerly had to be decided in the formal court system are now being referred by judges for mediation. Seventeen professional court reporters are being trained to assume duties in the six independent OECS countries in April 2004. The Regional Legislative Drafting Facility drafted 42 laws and amendments related to the Caribbean Single Market and Economy. In addition, the Regional Case Reporting Facility edited 11,500 out of 12,000 unreported judicial decisions for inclusion in its electronic database.

With successful completion of this program in 2004, the OECS court system will operate more efficiently. Judges will be more knowledgeable of modernized techniques, the public will benefit from access to a more open and democratic system, and laws will be developed to support free trade and competition, curb international crime, and protect human rights.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	HIV/AIDS
Pillar:	Global Health
Strategic Objective:	538-008
Proposed FY 2004 Obligation:	\$3,733,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY 2001
Year of Final Obligation:	FY 2004

Summary: HIV/AIDS in the Caribbean is far more than a medical concern; it poses a direct threat to the region's economic growth and competitiveness. USAID's regional HIV/AIDS program works to mitigate the destructive effects of the epidemic and prevent its further spread. The program works in collaboration with both private and public sector partners and is comprised of a range of activities that boost the capacity of local non-governmental organizations (NGOs) and national and regional organizations to mount a coordinated, multisectoral regional response.

Inputs, Outputs, Activities:

FY 2004 Program:

Increase NGO and community-based organizational capacity to deliver HIV/AIDS programs (\$700,000 CSH). Through the NGO strengthening program, USAID will work with national governments in public-private partnerships to develop multi-year HIV prevention plans under each country's National Strategic Plan on HIV/AIDS. To accomplish this, USAID will engage NGOs and government counterparts in prevention and behavior change and communications strategy development. USAID-funded activities are expected to reach approximately 400,000 people with prevention education messages. Support for prevention activities targeted to particularly vulnerable populations will be continued. Principal contractors and grantees are Family Health International and the International HIV/AIDS Alliance.

Increase government capacity to implement a response to HIV/AIDS (\$3,033,000 CSH). USAID will continue to provide support to expand the number of countries with National Strategic Plans on HIV/AIDS. Emphasis will be placed on improving surveillance, and monitoring and evaluation in the region to ensure the availability of accurate and reliable information for HIV programming. USAID will conduct behavior surveillance studies in six countries, with a focus on filling information gaps on the status of the epidemic in high-risk groups. In addition, USAID will support a mapping exercise to identify the current status of HIV prevention and treatment services being delivered in the Caribbean. Institutional support will continue for the Caribbean Coalition of National AIDS Program Coordinators, the Caribbean Epidemiology Centre, and the Pan Caribbean Partnership Against HIV/AIDS to strengthen their capacity to carry out regional programming and to address human rights, stigma, and discrimination issues. USAID assistance will be provided to six Caribbean HIV/AIDS regional training centers to further expand the number of HIV specialty-trained health care providers and public health professionals in the region. Specific training in preventing mother to child transmission will benefit 400 clinical providers, and HIV voluntary counseling and testing training will be expanded to two additional countries (for a total of seven). Principal contractors and grantees are the Caribbean Epidemiology Center, CARICOM Secretariat/Pan Caribbean Partnership against AIDS, the Ministry of Health in Jamaica, the Ministry of Health in Barbados, the University of Washington, and the University of North Carolina.

FY 2005 Program:

No new funds will be obligated under the current strategy in FY 2005. During FY 2004, the program will focus on ensuring the sustainability of program impacts and facilitating a smooth transition to the Mission's new regional strategy for the Caribbean for FY 2005 - FY 2009. Given the transition from a

strategy focused predominantly on institutional capacity building to one more impact focused, specific activities will include data collection and analysis to establish baseline indicators for behavioral change and service delivery activities.

Performance and Results: During this reporting year, performance for this program was high, results were achieved under both activity areas, and targets were met. USAID established a close collaborative working relationship with the newly established Centers for Disease Control office in Trinidad, and the two organizations are working towards a common strategy. Three years ago, very few countries had up-to-date national HIV strategic plans developed and formally in place. By the end of FY 2003, a total of 17 countries had formally established plans, up from 13 countries at the end of FY 2002. The end-of-strategy target of 21 countries is expected to be achieved by the end of FY 2004. With regards to NGOs, three additional NGO networks were established (Suriname, Trinidad and Tobago, and Guyana) for a total of six NGO networks to date. The NGO networks represent approximately 54 NGOs. During this past year, community-based prevention activities through these NGO networks reached approximately 50,000 people in six countries. The final target for this activity is six networks established, and the focus in FY 2004 will be to increase these NGO networks' capacity to implement prevention efforts under each country's National Strategic Plan on HIV/AIDS. New programs and linkages with hard-to-reach populations have been established in the Eastern Caribbean. Additionally, the Caribbean HIV/AIDS Regional Training Initiative has been launched, and the first regional training for clinical providers on anti-retrovirals was held. A total of 486 counselors have been trained to date in HIV voluntary counseling and testing (VCT), and of these 43 have been program-certified as trainers and are actively conducting trainings themselves. Through these trained counselors, voluntary counseling and testing services are being provided in 225 sites across the region. Also, as a result of USAID assistance, the Caribbean Coalition of National AIDS Program Coordinators is now a legal entity with an established office and secretariat.

By the end of the strategy period in FY 2004, there will be an increased number of NGOs that provide HIV/AIDS prevention and care services, and greater government capacity to implement a coordinated and effective response to HIV/AIDS towards a regional reduction in further HIV transmission.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	Global Competitiveness and Open Trade
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	538-x10
Proposed FY 2004 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$4,362,000 DA; \$3,500,000 ESF
Year of Initial Obligation:	FY 2005
Year of Final Obligation:	FY 2009

Summary: USAID's trade capacity building program is currently under development. It is expected to help the region rise to the challenge of succeeding in an open trade environment by becoming globally competitive. This effort requires making adjustments necessary to participate in the various trade regimes, and reducing constraints to business while leveraging market opportunities. In support of this initiative, the USAID program will assist in the development of the region's legal infrastructure to facilitate open trade as well as ensuring the development of environmental management measures which will enhance the trade environment.

Inputs, Outputs, Activities:

FY 2004 Program:

No activities will be carried out in FY 2004. This program will begin in FY 2005.

FY 2005 Program:

Regional legal infrastructure enhanced to facilitate open trade (\$1,000,000 ESF). USAID's program will focus on building a solid legal regional infrastructure to serve as the foundation for open trade and competitiveness. USAID continues support to the Caribbean Community Secretariat's (CARICOM) Regional Legislative Drafting Facility, in preparing and revising laws relating to the Caribbean Single Market and Economy, open trade, and security issues. USAID will assist enacting and promoting the trade laws through policy dialogue and public education, and by working directly with the region's attorneys general and parliamentarians to generate consensus and buy-in. Training and information dissemination for implementing the new laws will complete the process. USAID's new program will also focus on strengthening the adjudication process of the newly created Caribbean Court of Justice through targeted training in trade and commercial legislation and regulations. Potential contractors, grantees, and partners will include the Caribbean Community's Regional Legislative Drafting Facility, the Caribbean Court of Justice, and others.

Participation in open trade enhanced (\$2,500,000 ESF). This activity will focus on creating an enabling legislative and regulatory environment to support free trade. Technical assistance will be provided to help bring the region under a single economic space and policy dialogue and public education initiatives will be conducted to promote acceptance and active participation in the various trade regimes, in particular the Free Trade Area of the Americas (FTAA) and World Trade Organization. One area of particular focus will be support to the region to address trade-related gaps identified under the FTAA's Hemispheric Cooperation trade strategy process. Assistance will be provided to support further strengthening of the region's ability to meet its international requirements in the area of food, animal and plant related legislation, regulations, and implementing mechanisms. In addition, the program will support regional training opportunities in trade and competitiveness. Potential contractors, grantees, and partners will include CARICOM, the region's private-sector umbrella organizations, existing regional training institutions, and others.

Business constraints reduced and market opportunities leveraged (\$2,564,000 DA). USAID will help address a key component to the region's success in open trade: its ability to attract and support foreign investment. This will be achieved through initiatives to reduce constraints to business, improve productivity, ensure the adoption of market-based standards, and provide support to business infrastructure, such as increased availability and use of international communications technologies. In addition, USAID will leverage other opportunities to support regional economic growth, including the development of targeted industries or competitive clusters of firms, and could include the use of the Development Credit Authority loan guarantee mechanism. Potential contractors, grantees, and partners include CARICOM, the Organization of Eastern Caribbean States (OECS) Secretariat, and others who have not yet been identified.

Environmental and disaster frameworks for economic growth strengthened (\$1,798,000 DA). With tourism being the Caribbean region's largest export, USAID's initiative will promote sustainable development policies and incentives that will protect the region's fragile natural assets in order to ensure continued sustainable economic growth. Areas of USAID-financed assistance may include market-based incentives, the promotion of environmentally friendly technologies for tourism enterprises, and public education efforts focusing on the linkages between the environment and a more open trade atmosphere. In addition, USAID will work to strengthen the region's disaster mitigation policies and processes and ensure that compliance measures are put in place. Potential contractors, grantees, and partners have not yet been identified.

Performance and Results: The program will be designed strategically to ensure the maximum use of the resources to prepare and position the region for open trade. It will primarily work through regional initiatives in order to ensure optimal use of resources over the strategy period. Laws and legal practices will be updated to support global trade. The capacity of national governments will be improved through up to date legislation and regulations supporting open trade. In addition, gaps identified in country strategies will be addressed. Constraints to doing business will be reduced or eliminated, thereby supporting the attractiveness of the region for direct investments. Appropriate legislation and regulation supporting sound environmental practices will be promoted, environmental management systems will be increasingly adopted by the private sector, and disaster mitigation procedures will be developed.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	Regional Response to HIV/AIDS
Pillar:	Global Health
Strategic Objective:	538-x11
Proposed FY 2004 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$4,708,000 CSH
Year of Initial Obligation:	FY 2005
Year of Final Obligation:	FY 2009

Summary: USAID's strategy will build upon previous interventions to achieve a measurable impact on increasing risk reduction practices to prevent transmission of HIV/AIDS and to expand access to and use of HIV prevention, treatment, and care services. The geographic focus includes the nine island nations not served directly by one of the four USAID bilateral missions in the region. This new program will build upon previous interventions to achieve measurable impact on HIV/AIDS risk reduction, treatment, and care. Special focus in the program will be given to most at-risk populations and combating stigma and discrimination, with increased attention going to the countries not served by USAID bilateral programs. Due to the high degree of mobility and inter-island migration in the Caribbean region, programmatic synergies will be established with USAID bilateral countries with particular emphasis on highly mobile populations, thus ensuring broad and comprehensive USAID programming in HIV/AIDS throughout the Caribbean's island nations. Given the concentrated epidemics in several island nations, with relatively low prevalence of HIV in the rest of the Caribbean region, a special focus of the new strategy will be to target activities on at-risk populations and vulnerable populations, including people living with HIV/AIDS. In addition, due to the highly stigmatized view of HIV in the Caribbean, a cross cutting theme of the new strategy will focus on reducing stigma and discrimination. USAID will continue to plan activities in close collaboration with the Centers for Disease Control.

Inputs, Outputs, Activities:

FY 2004 Program:

No activities will be carried out in FY 2004. This program will begin in FY 2005 under the USAID's new regional strategic plan for the Caribbean for FY 2005 - FY 2009.

FY 2005 Program:

Increased use of risk reduction practices among at-risk populations (\$1,500,000 CSH). Activities will include community-based and national scale prevention efforts focused primarily on at-risk populations in each island nation and a multi-media information campaign throughout the region delivering behavior change messages, including abstinence, monogamy (be faithful), and the reduction of high risk behaviors. Specific activities will be tailored to high-risk settings and common transportation points such as seaports and airports. Faith-based organizations will be engaged in community-based prevention efforts with a particular focus on reducing stigma and discrimination. Implementers to be selected.

Increased use of prevention and treatment services (\$2,612,000 CSH). Activities will include establishing HIV voluntary testing and counseling sites with qualified trained counselors; and training clinical health care providers in prevention of mother to child transmission services, treating HIV positive patients with anti-retroviral treatment, and treating opportunistic infections. Given the significant need for health care providers and public health professionals with specialty training in HIV/AIDS, as well as the unique challenges of the Caribbean geography with numerous small island nations, a regional network of training centers called the Caribbean HIV/AIDS Regional Training Initiative has been established. This network will increase capacity throughout the region in a cost-efficient manner and will be used as the framework for all training activities under the new strategy. All training will include the cross cutting theme of

reducing stigma and discrimination. Focused technical assistance will be provided at a sub-regional and national level to ensure logistics and delivery systems are functioning to ensure adequate supply of drugs (particularly anti-retrovirals and drugs for opportunistic infections) and health commodities and supplies (particularly HIV test kits) are available. Implementers to be selected.

Enhanced enabling environment for an HIV/AIDS regional response (\$1,500,000 CSH). The Caribbean region is unique in that regional organizations, structures, and policy dialogue fora are coordinating and targeting all HIV resources coming into the region, developing and reforming laws and policies, and programming regional activities. Under the new strategy, activities to enhance the current environment for HIV programming across the region will include support to improve both regional and national level HIV surveillance, monitoring, and evaluation systems; establish new laws and reform existing laws related to HIV/AIDS; and implement a multi-media regional campaign on stigma and discrimination. This support will be provided to the already established regional organizations focusing in these areas. The Caribbean region recently submitted and received approval for a regional application to the Global Fund on AIDS, TB and Malaria, and specific support will be provided to ensure these funds are targeted towards the most appropriate regional interventions and that performance achieved. Implementers to be selected.

Performance and Results: Results to be achieved by the end of the strategy period FY 2009 are an increase in risk reduction behaviors among most at-risk and vulnerable populations; an increase in the access to and use of voluntary counseling and testing services; prevention of mother to child transmission services; anti-retroviral treatment for HIV and treatment for opportunistic infections related to HIV; and an increase in access to and use of community-based support services for those living with HIV/AIDS and their families, particularly vulnerable children and orphans. In addition, national level surveillance and monitoring and evaluation systems will have been strengthened, and countries will be reporting accurately and timely on the HIV/AIDS indicators requested annually by the Joint United Nations Programme on HIV/AIDS (UNAIDS). Through law reform and regional stigma campaigns, discrimination will have been reduced particularly in the workplace and clinical care setting.

Data Sheet

USAID Mission:	Caribbean Regional Program
Program Title:	Performance Fund - Caribbean Regional
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	538-YYY
Proposed FY 2004 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$904,000 CSH; \$7,436,000 DA
Year of Initial Obligation:	FY 2005
Year of Final Obligation:	FY 2009

Summary: The Bureau for Latin America and the Caribbean (LAC) is implementing a number of new approaches designed to improve the effectiveness and strategic focus of its programs. Foremost among these reforms are: strategic budgeting and a greater focus on regional priorities; a closer alignment with the Administration's proposed Millennium Challenge Account (MCA); and the establishment of an incentive-based Performance Fund that rewards good country performance.

The LAC Bureau Performance Fund supports the principles underlying the Administration's proposed Millennium Challenge Account, which conditions development assistance on performance and accountability. The three performance categories of the LAC Performance Fund parallel the performance categories of the MCA: Ruling Justly, Investing in People, and Encouraging Economic Freedom. For each LAC sub-region, the Performance Fund will be divided into three major categories corresponding to the three principal MCA categories, and awards will be made to the best performer under each category.

Inputs, Outputs, Activities:

FY 2004 Program:

None.

FY 2005 Program:

Performance Fund (\$7,437,000 DA, \$904,000 CSH). The Performance Fund will serve as an incentive to both USAID missions and host countries to work collaboratively to realign their approach to development, improving their focus on performance, and the achievement of measurable results. Funds will be disbursed to USAID missions, not the countries, for programming. However, USAID missions will work closely and collaboratively with the host country in applying to the LAC Bureau for funds in order to assure host country commitment to Performance Fund objectives. The Performance Fund is also supportive of the intent of USAID's new strategic budgeting process, which seeks to make the programming of USAID assistance more performance-driven.

The fund will not be available to countries that qualify for the MCA, but rather will focus on working to move countries towards MCA qualification. For many countries in the region, a Performance Fund award could be an important step leading towards MCA eligibility as it could provide the financing needed to make reforms required to meet MCA criteria. However, once a country qualifies for receiving MCA funding, it will no longer be included for consideration under the Performance Fund.

Funds will be divided roughly by the three strategic MCA categories identified above. The LAC Performance Fund will not, however, use MCA criteria to measure performance. Instead, it will use criteria that will be specifically developed for each LAC sub-region. The Performance Fund will operate on a competitive basis, with the best performer(s) in the sub-region awarded funds. The LAC Bureau will analyze countries' performance annually, review proposals on how the missions would each use the additional funds, and select the best performing country and program under each strategic category.

Once funding allocation decisions have been made, recipient missions will submit Congressional Notifications that describe how the additional funds will be used.

Performance and Results: High-level host country awareness of and commitment to the Performance Fund's objectives will rely on close host country involvement in developing indicators, benchmarks, and applications for funding; in-country ceremonies with high-level participation for funding awards; and press events. Expected principal outcomes are: 1) a greater focus on regional priorities by governments within the LAC region; 2) a closer alignment of USAID activities with the Administration's proposed MCA; and 3) positive policy reforms.

Caribbean Regional Program PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Child Survival and Health Programs Fund	3,550	4,233	3,733	4,637
Development Assistance	0	8,775	3,935	11,798
Economic Support Fund	10,800	2,500	3,976	9,000
ESF - Wartime Supplemental	0	500	0	0
Total Program Funds	14,350	16,008	11,644	25,435

STRATEGIC OBJECTIVE SUMMARY

538-004 Competitiveness in the Caribbean				
DA	0	5,283	2,905	0
ESF	4,600	1,000	860	0
538-005 Improved Environmental Management				
DA	0	2,509	570	0
ESF	3,300	0	0	0
538-006 Rule of Law				
DA	0	983	460	0
ESF	1,000	0	516	0
538-008 HIV/AIDS				
CSH	3,550	4,233	3,733	0
ESF	1,900	1,500	0	0
ESF - Wartime Supplemental	0	500	0	0
538-x10 Global Competitiveness and Open Trade				
DA	0	0	0	4,362
ESF	0	0	0	3,500
538-x11 Regional Response to HIV/AIDS				
CSH	0	0	0	4,637
538-x12 Caribbean Performance Fund				
DA	0	0	0	7,436
TRANSFER				
ESF	0	0	2,600	5,500

Mission Director,
Karen Turner